



INSURANCE FRAUD INVESTIGATION DIVISION

Kentucky Office of Insurance

909 Leawood Drive, P. O. Box 4050, Frankfort, KY 40604-4050

Phone 502-564-1461 – FAX 502/564-1464

Charges and Convictions Activity – November 2007

Dan English, Thomas Gregory English and Beth McGill – Between 3/17/01 and 3/17/02, the defendants, acting alone or in complicity, attempted to avoid workers' compensation premiums by concealing the number of employees for their company, the Framing Corporation, from Kentucky Employers Mutual Insurance (KEMI). The defendants set up two separate companies, the Framing Corporation (Framing) and Second Framing Corporation (Second Framing). Second Framing had workers' compensation coverage through KEMI; however, the majority of the employees were placed on the payroll of Framing, which did not have workers' compensation coverage. By doing this, Second Framing was able to obtain a lower premium rate for their employees. When an employee from Framing was injured, they were then moved to Second Framing's payroll, in order to file a workers' compensation claim. KEMI received over \$268,000 in allegedly fraudulent workers' compensation claims. On 10/23/07, the three defendants were indicted for one felony count of complicity to commit insurance fraud in Jefferson Circuit Court.

Eric Lynn Craig – Craig presented a false certificate to Pack's, a general contractor, indicating he had workers' compensation coverage when he did not. On 7/20/07, Craig was charged with one felony count of fraudulent insurance acts in Fleming District Court. On 10/25/07, he pled guilty to the amended misdemeanor charge of fraudulent insurance acts and was ordered to pay a fine to the Fraud Division in the amount of \$500 for investigative expenses.

Melissa Gothard – On or about 4/2/04, Gothard presented a fraudulent insurance identification card to the Jefferson County Clerk in order to register a 1993 Buick. She also presented the same fraudulent card as proof of insurance at the scene of a motor vehicle accident on 2/2/05. On 9/13/07, Gothard was charged with two felony counts of fraudulent insurance acts in Jefferson District Court.

Mary K. Lucas – On or about 12/12/03, Lucas submitted a forged wage and salary verification form to GEICO Insurance in support of her claim for lost wages following an automobile accident. She received approximately \$1,620.00 to which she was not entitled. On 1/4/06, Lucas was indicted for one felony count of fraudulent insurance acts in Jefferson Circuit Court. On 10/31/07, she pled guilty to the felony charge and received a one year sentence, diverted for five years. She was ordered to make full restitution to GEICO at the rate of \$100.00 per month.

Teewon Payne – On or about 7/11/05, Payne presented a fraudulent insurance identification card to the Jefferson District Court after receiving a citation for no insurance and no headlight. On 9/14/07, Payne was charged with one felony count of fraudulent insurance acts in Jefferson District Court. On 10/25/07, he pled guilty to the amended misdemeanor charge of fraudulent insurance acts and received 180 days in jail with 185 days conditionally discharged for two years.

Robert Pratt – On or between 11/18/04 and 11/18/05, Pratt made false statements to Kentucky Employers' Mutual Insurance (KEMI) by under reporting the payroll of his company, Pratt Quality Construction, in order to avoid workers' compensation premiums. This resulted in Pratt avoiding paying over \$234,000 in workers' compensation premiums. On 11/15/07, Pratt was indicted for one felony count of fraudulent insurance acts in Boone Circuit Court.

David Reffett – On 3/15/06, 6/7/06, and 9/7/06, Reffett presented altered physicians' statements to Merit Life Insurance Company in order to receive credit disability payments. On 7/24/07, Reffett was charged with one felony count of fraudulent insurance acts in Johnson District Court. On 10/29/07, he pled guilty to the amended misdemeanor charge of fraudulent insurance acts, received 12 months conditionally discharged to two years, and was ordered to pay restitution to Merit Life in the amount of \$624.59. He was also ordered to pay a fine to the Fraud Division in the amount of \$1,249.18.

Ronald Spadie – On or about 6/23/04, Spadie presented a fraudulent certificate of insurance to the Brown Hotel indicating he had both general liability and workers' compensation insurance, when in fact his insurance had cancelled. On 10/26/07, Spadie was charged with one felony count of fraudulent insurance acts in Jefferson District Court.

Tamicka Starks – On or about 2/28/05, Starks presented a fraudulent insurance identification card purportedly from AIG to the Jefferson County Clerk in order to register a 2000 Oldsmobile. On or about 2/27/06, she presented a fraudulent insurance identification card purportedly from Progressive Halcyon to the Jefferson County Clerk again to obtain registration. On or about 7/8/05, she presented a fraudulent declaration page indicating she had insurance with AIG through Nolan Insurance Agency when she did not. On 9/10/07, Starks was charged with three felony counts of fraudulent insurance acts in Jefferson District Court. On 10/24/07, she pled guilty to three amended misdemeanor counts of attempted fraudulent insurance acts and received 12 days home incarceration and 353 days conditionally discharged for two years.

Sareena Taylor – On or about 10/27/06, Taylor presented a fraudulent insurance identification card to the Jefferson County Clerk in order to obtain vehicle registration. On 2/21/07, Taylor was charged with one felony count of fraudulent insurance acts in Jefferson District Court. On 7/17/07, she pled guilty to the amended misdemeanor charge of attempted fraudulent insurance acts and received 180 days conditionally discharged for two years. She was ordered to pay court costs of \$130.00.